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President: Mr. Drobnjak (Vice-President) ..... (Croatia)

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In the absence of Mr. Sajdik (Austria), Mr. Drobnjak (Croatia), Vice-President, took the Chair.

The meeting was called to order at 10.10 a.m.

Achieving sustainable development through employment creation and decent work

Opening of the segment

1. **The President**, opening the integration segment of the Economic and Social Council, said that unemployment and underemployment remained top priorities for many countries. Ensuring sufficient employment opportunities and decent work for all was one of the most pressing challenges faced by nations. Social protection schemes fell short of protecting young people, low-wage and low-skilled workers, older persons, persons with disabilities, indigenous peoples, migrant workers and workers in the informal economy. Full respect for international labour standards and fundamental employment principles and rights, under conditions of non-discrimination, equity, equality, security and dignity, had yet to be achieved.

2 Many of the delegates at the Council's recent Youth Forum had said that unemployment was at the top of their list of concerns. In the Council's Ministerial Declaration of 2012, it had stressed that the promotion of sustained, inclusive and equitable economic growth was necessary for accelerating progress towards achieving the Millennium Development Goals, as well as for promoting sustainable development, but that it was not sufficient, and that growth should enable everyone, in particular the poor, to participate in and benefit from economic opportunities and should lead to job creation and income opportunities and be complemented by effective social policies.

3. The integration session would focus on how the creation of decent work could promote the balanced integration of the economic, social and environmental dimensions of sustainable development. That integration was central to the implementation of the post-2015 development agenda. It would not be an easy task; it would involve short-term trade-offs and long-term benefits. Employment creation and decent work for all would be an important component of the post-2015 development agenda, as evidenced by proposed sustainable development goal 8, which called for the promotion of sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. Productive capacities, employment, decent work and social protection must be given more prominence in the post-2015 development agenda. Above all, appropriate targets and indicators must be developed, in line with the original core values and objectives of the United Nations Millennium Declaration, particularly in the light of their importance in addressing growth, poverty and inequality.

Statement by the Vice-President of the sixty-ninth session of the General Assembly on behalf of the President of the sixty-ninth session of the General Assembly

4. **Mr. Gunnarsson** (Observer for Iceland), Vice-President of the General Assembly, speaking on behalf of the President of the General Assembly, said that to realize the overarching objectives of the new development agenda, namely poverty eradication and achieving sustainable development, the creation of employment opportunities and jobs for all would be essential. In spite of the notable progress towards reducing poverty over the past decade, unemployment had increased, particularly since the global economic and financial crisis of 2008. Over 200 million people worldwide were currently unemployed, and that figure was expected to rise in coming years according to the International Labour Organization (ILO). Nearly 900 million workers were unable to earn enough to lift themselves and their families above the $2-a-day poverty threshold. Women and young people continued to be disproportionately affected by unemployment, while income inequality had increased in most countries.

5. A holistic and integrated approach was needed to reduce unemployment and create more quality jobs. Efforts to increase employment and job opportunities must be underpinned by the promotion of sustained, inclusive and sustainable economic growth. For many countries, especially the least developed and developing nations, that would require structural transformation and economic diversification towards high-productive sectors, such as industry and services. As agriculture was a major source of employment in many developing countries, steps should be taken to improve agricultural productivity and value-addition in order to increase output and raise incomes for those employed in that sector.

6. Domestic, regional and international trade, which was the engine for growth, should be promoted and expanded, particularly in the light of the slowdown of global trade in goods. In that context, the need for a fair and rules-based trading regime was critical and conclusion of the Doha round of trade negotiations, which had been ongoing since 2001, was long overdue. The international community should build on the Agreement on Trade Facilitation, reached at the Ninth Ministerial Conference of the World Trade Organization (WTO) in 2013, to boost the multilateral trading system.

7. Encouraging growth in the tourism sector had generated earnings of some $1.4 trillion globally in 2013. The impact of tourism on employment was very significant and went beyond sectors where tourists spent money directly. In view of the multiplier effect of tourism and its linkages with many sectors of the economy, it should be developed and promoted in order to yield significant employment dividends.

8. Situations obviously varied from country to country, so it would be impossible to develop a universal blueprint or approach to creating employment and decent work for all. Each Government would have to identify the right mix of policies based on its own national reality. At the same time, the international coordination of macroeconomic, labour market and other relevant policies would play an important role. For many developing countries, attracting foreign direct investment, transferring technology and building capacity would be crucial for the transformation of their economies and improving employment creation capacities. Policies that facilitated women's employment, including the promotion of equal pay, gender-sensitive work environments and equitable opportunities for advancement, would also be needed.

9. More should be done to address youth unemployment, as it not only resulted in significant economic costs, but could also undermine social and political stability. Better education and training systems that combined school-based education with vocational and work-based training would facilitate a smoother transition from school to work. Efforts should also be made to create an environment that cultivated entrepreneurship, including by facilitating access to affordable credit. On 1 June, the President of the General Assembly would convene, in conjunction with the United Nations Population Fund and ILO, a High-level Thematic Event on the Demographic Dividend and Youth Employment. The event would provide an opportunity for Member States and stakeholders to exchange views on practical ways of working with Governments in countries with a youth bulge to enable the investments needed to reap the demographic dividend, including through employment opportunities for young people.

10. It was important to ensure that workers were able to operate in safe and healthy conditions and that their rights were protected. Social protection measures, including unemployment benefits and health care, should therefore be developed and improved. Environmental sustainability should also be a priority in any sustainable growth and development strategy. Studies had found that when the right policies were adopted, transitioning to a greener economy could create high-quality jobs and did not necessarily equate to job losses. In the run-up to the third International Conference on Financing for Development in July 2015, the adoption of the post-2015 development agenda in September and a new global climate change agreement in December, the international community had an historic opportunity to change the world for the better. Efforts towards the creation of employment opportunities and decent work for all should be redoubled in order to give everyone an opportunity to contribute to and benefit from sustainable development.

Statement by the Deputy Secretary-General of the United Nations

11. **The Deputy Secretary-General** said that he was pleased to welcome representatives from government, trade unions, civil society and business from all over the world. Over the next three days, the Council would be focusing on how to achieve sustainable development through job creation and decent working conditions for all. As the Vice-President of the Council had emphasized, that was an enormous, and indeed pressing, challenge for all countries and all sectors of society. It was at the core of the Organization's universal agenda to create peaceful, equitable and inclusive societies. It was at the core of making possible lives in dignity for all in a troubled and turbulent world.

12. Unemployment and underemployment remained dangerously high. Decent jobs that provided a fair income, good working conditions, access to social

protection and freedom of association were not enjoyed by many people. Many workers in both developed and developing countries were trapped in informal and low-wage jobs. Migrant workers faced the risk of exploitation and discrimination. Women earned less than men and were more likely to be vulnerable workers engaged in dangerous work. Workers in informal working arrangements often lacked social protection and were paid low wages in arduous working conditions by which their fundamental rights could be violated. That was why special consideration must be given to ensuring adequate protection for women, young people, indigenous peoples and people with disabilities. All those challenges would need to be addressed in order to build an equitable future where extreme poverty was eradicated, people were empowered and opportunity was a reality for all.

13. The world was caught in an employment crisis, and youth were bearing the brunt. Globally, as many as 73 million young people were looking for work. They were three times more likely than adults to be jobless. Many more were trapped in jobs where they were the objects of exploitation. It was imperative to do much more to create jobs for young people. Their frustration was understandable and undermined belief in government and national and international institutions. Young people must be offered the relevant education and training for "employability". That included supporting young entrepreneurs so that they could thrive and create jobs for others. Young people must be offered hope and opportunity. Working with and for young people was a high priority of the Secretary-General. He had named Ahmad Alhendawi as his Envoy on Youth, and the High-level Committee on Programmes of the United Nations Chief Executives Board was currently, under ILO leadership, developing a joint United Nations initiative on youth employment.

14. The Open Working Group on Sustainable Development Goals had built on the Millennium Development Goals (MDGs) to articulate a new universal and responsive agenda. The international community must promote economic growth that was both sustainable and inclusive — growth that provided full and productive employment and decent work for all. He wished to highlight some ways by which that challenge could be addressed. First, labour-market policies must ensure that women had equal access and opportunities. Policies should also place special focus on young people and persons with disabilities. All workers must be provided with adequate compensation for their services and given decent working conditions. Adequate social protection floors must also be guaranteed. The wage gap between women and men must be reduced and equal remuneration for work of equal content and value must be ensured. Unpaid care and domestic work should be recognized and valued, and not least, the equal sharing of domestic responsibilities between men and women should be promoted.

15. Second, the international community should invest in a future-oriented and green economy. Governments and companies could take new productive initiatives on food and water security, promote renewable energy, and minimize negative impacts on the environment. Low-carbon growth could, apart from generating jobs, increase food security, improve public health, safeguard essential ecosystems, and make cities more resilient. That transition to a green and modern economy, however, would need well-designed social protection measures to ensure that no one was left behind. Sustainable development could not be realized without making job creation and decent working conditions for all a priority of the post-2015 development agenda. He and the Secretary-General looked forward to staying in close contact with the Council on the way forward for a coherent, effective, equitable strategy for achieving those crucially important objectives.

Keynote addresses

16. **Mr. Kikwete** (Observer for the United Republic of Tanzania), President of the Republic, welcomed the inclusion of decent work and employment creation in the proposed sustainable development goals, as they were core issues for ensuring meaningful human development, prosperity, security and social stability nationally and internationally. In its Agenda 2063, the African Union directed countries to pursue sound programmes that would create shared growth, decent jobs and economic opportunities for all. Globally, 201 million people were unemployed and it was expected that an additional 280 million new jobs would need to be created by 2019. In addition, almost half of the world's employed people, the majority of them women, were still working in vulnerable conditions, with no guaranteed access to decent work and social protection. That situation was unacceptable and should be remedied.

17. The situation in Africa was worrisome, requiring urgent and special attention. Of the 37 million jobs created in African countries over the past decade, only 28 per cent could be considered decent. Yet there were an estimated 122 million new entrants to the African labour market every year. With some 200 million people in Africa aged between 15 and 24 — a figure that was expected to double by 2045 — there would be too many unemployed Africans, the majority of them young men and women. That situation was both an opportunity and a challenge. It was an opportunity in the sense that investors seeking employees would find them readily available, provided they had the requisite skills; but it would be a challenge if jobs could not be found. Those armies of unemployed youth, whose numbers increased every year, could become a threat to social stability and national security. Indeed, rebellions and terrorist groups thrived on unemployed youth. Job creation should therefore be a critical component of the development agenda and national plans and programmes.

18. Jobs were created when economies were growing. It was therefore essential to put sound economic policies in place that would promote growth and encourage investment. Many African countries, including his own, had registered good economic performances over the past 20 years. More than 10 African countries currently enjoyed average growth rates of between 5 and 6 per cent, which was higher than the global average. The collective gross domestic product (GDP) of the continent was expected to hit $2.6 trillion in the next five years, making Africa one of the fastest growing economic regions, if not the fastest. However, beneath that success story lay the painful reality of high unemployment and the poor working conditions of the few jobs that were available, mainly in the informal sector.

19. African leaders would appreciate advice and suggestions on how to tackle those problems and to attract investment, as well as possible support for schemes to assist young entrepreneurs. Governments had a role to play, as did development partners, the private sector and other stakeholders. It was clear that, given the current levels of development and other challenges, many African countries would not be able to create the jobs and decent work needed to achieve sustainable development. Africa was home to 34 of the least developed countries. The international community must therefore assist African nations to help them keep up and achieve the common goal of making extreme poverty history by 2030.

20. Africa was committed to changing its course for the better. Most African nations had undertaken socioeconomic reforms, which had thus far been successful. The pursuit of sound macroeconomic policies had been responsible for the continent's strong economic performance. Better economic management and high rates of growth had brought about visible progress in the socioeconomic life of many countries and lifted many people out of poverty. However, the rate and depth of that progress could be improved. African Governments would like to do better, but they were hampered by underdevelopment. The international community should therefore provide assistance for the implementation of programmes and projects that would promote socioeconomic growth, create jobs, increase wages, eradicate poverty and enable people to live decent lives. The waves of boat people trying to reach Europe would not end as long as poverty and unemployment raged in Africa.

21. Steady progress had been made on the political, ethical, democratic, governance and human rights fronts in all African countries, admittedly with varying rates of success, but the continent was certainly rising. If those social, political and economic gains could be sustained for another 20 or 30 years, most of the least developed countries in Africa would become middle-income countries, and lower-middle-income countries would become upper-middle-income or even developed countries. His Government had set its sights on achieving middle-income country status by 2025, as outlined in the Tanzania Development Vision 2025, by implementing three five-year medium-term plans which would unleash Tanzania's development potential, increase productive capacity and enhance competiveness.

22. Discussions on sustainable development, job creation and decent work should also focus on social protection. In many African countries, including Tanzania, social protection schemes largely catered for those in formal employment. Reforms undertaken in 2012 to extend social security to the informal sector, including farmers and traders, were beginning to show positive results. The informal sector was huge and remained a major source of employment in Africa, accounting for 80 per cent of the total labour force and 55 per cent of GDP of sub-Saharan Africa. It was in the best interest of both the national economies of Africa

and those workers in the informal economy to formalize the sector. Cooperation between the public and private sector would make sustainable development, job creation and decent work for all attainable. There was potential to achieve more if the international community invested more and invested wisely.

23. **Mr. Christie** (Observer for the Bahamas), Prime Minister, speaking also on behalf of the Caribbean Community (CARICOM), said that the States members of CARICOM were acutely aware of the complexity of the global economic environment and the major transformations under way in the world economy. In the aftermath of the global economic and financial crises, the less than favourable international context for small island developing States in the CARICOM region would last well into the next decade. Climate change had also become a global issue owing to the increased frequency and severity of climatic events, which, along with the growing incidence of health pandemics and the risk of terrorism and war, were threatening to set back the development gains achieved by developing countries in recent years.

24. Given its susceptibility to external shocks, global realities and challenges were either mirrored or heightened in the CARICOM region, as evidenced by persistently low rates of growth, crippling external debt and growing unemployment, particularly youth unemployment. Paying tribute to the youth of CARICOM, he said that all Governments in the region were committed to addressing the integration of young people into the national economies, as the future of those countries depended on it.

25. CARICOM member States had adopted either home-grown or multilaterally-supported stabilization and structural adjustment programmes, which had not yet resulted in sustained growth in those countries experiencing significant macroeconomic imbalances. Revitalizing economic growth was therefore of critical importance to prevent further deterioration in the region's human development gains. In that connection, in 2014, the CARICOM Heads of Government had approved the Strategic Plan for the Caribbean Community 2015-2019: Repositioning CARICOM to address the rising levels of unemployment, particularly among young people, which existed alongside skill shortages in several key areas. The Plan sought to review, in a holistic manner, the content and focus of national education and training systems, with emphasis on innovation and creativity; digital literacy and entrepreneurship; and issues of gender and inclusiveness. The Plan also set out priorities for building economic, social and environmental resilience in the region, by strengthening governance, coordinating foreign policy, and promoting innovation and research and development. To achieve those economic priorities, countries would need to build competitiveness and unleash key economic drivers to transition to growth and generate employment across all sectors of the economy, including the agricultural sector, which was largely untapped. Efforts to build social resilience and advance human capital development would focus on education reforms, youth development and building capacity in key skills. With regard to building environmental resilience, Governments would create green jobs as part of the region's efforts to advance climate adaptation and mitigation strategies. The Community would forge a culture of innovation, job creation and entrepreneurship.

26. At the intersessional meeting of the Conference of Heads of Government of CARICOM held in Nassau in February 2015, discussions had focused on how to leverage the region's human, cultural and natural resources for its economic development. The Conference had considered steps and actions that could help to create an enabling environment for the region's creative and cultural industries to thrive and increase their contribution to the overall development of CARICOM member States. Additional areas of potential growth had been identified, including sport and tourism, in an effort to encourage new approaches to generating employment and creating avenues for entrepreneurship. Many economic areas would be enhanced by the application of information and communications technology (ICT), a field in which many young people were particularly adept. Those sectors should therefore be considered viable for sustainable economic activity and outlets for creativity and innovation. The establishment of a single ICT space in the region would be the ideal platform to provide relevant opportunities. In addition to creating employment, there would be other social benefits as young people channelled their ingenuity into productive activities.

27. To achieve those objectives, CARICOM would need the support of the international community. CARICOM was therefore keen to align its Plan with

the international agenda and to ensure that the region's special needs, and those of small island developing States, were at the heart of the post-2015 development agenda and the sustainable development goals. Renewed commitment to a global partnership for development would provide the necessary support to regional and national efforts to achieve the proposed sustainable development goals, including proposed goal 8. The jobs created should be of the quality anticipated by the ILO Decent Work Agenda. The labour movement in the CARICOM region enjoyed the support of Governments and ILO as it sought, through the use of collective bargaining, social dialogue and the Decent Work Agenda, to support the promotion of quality jobs as an integral part of advancing sustainable development in the region. The United Nations, and the Economic and Social Council in particular, was uniquely placed to spearhead global efforts to assist Member States in achieving sustainable development, including through employment creation and decent work for all.

28. **Mr. Löfven** (Sweden), Prime Minister, said that 2 million people died at work every year around the world. Every day, people were exposed to terrible risks at work, trade union members were persecuted and killed, children were forced to work, and migrants were exploited under horrific conditions, all in the pursuit of profit. Yet, a world built on the exploitation of people was neither ethical nor profitable while decent work and respect for fundamental union rights would actually increase productivity and promote inclusive growth. If the global number of deaths and accidents in the workplace was reduced by a quarter, resources equivalent to 1 per cent of global GDP would be created. If more women entered the workforce, GDP would grow even more. Social justice was both ethically right and economically smart. It was time to make globalization work for everyone.

29. Globalization had opened up the world, spread knowledge and technologies, and lifted hundreds of millions of people out of poverty in recent years. However, true globalization was based on the idea of sharing. All humanity shared a planet, a global economy and an increasingly global labour market. Therefore, everyone should share in the task of finally taking responsibility for global working life. Representatives of labour and capital should work together to ensure fair conditions for employers and employees alike, for the benefit of both and of society in general.

30. A new global concept should be developed whereby various stakeholders could see the benefits of working together to promote joint solutions, while continuing to represent their different interests. Such a concept would encourage cooperation between social partners, bringing peace to the labour market, promoting competition, and enhancing economic stability and shared prosperity. States should ratify and respect the core ILO conventions, thereby recognizing the right of employees to organize, to negotiate and to strike. Employers and companies around the world should respect those rights in practice, assume their social responsibilities and be prepared to negotiate agreements locally, regionally or globally. Trade unions should cooperate and bear their social responsibilities in mind when negotiating, as well as contribute to the overall development of companies. States should recognize social partners and social dialogue as essential parts of democracy and encourage concrete agreements through negotiations.

31. Shared responsibility between all stakeholders could lead to a real win-win situation and was at the core of his proposed Global Deal. It would not require new institutions; existing international forums could simply be strengthened. The tripartite structure of ILO made it the ideal candidate to play a central role in the Global Deal, but it would need to be strengthened to lead global activities on the basis of its Declaration on Social Justice for a Fair Globalization. There was also scope for important contributions from the Organization for Economic Cooperation and Development (OECD), the World Trade Organization, the International Monetary Fund (IMF) and the World Bank.

32. The adoption of the new sustainable development goals and the new financing for development framework must not be seen as the end of the process. On the contrary, it would be the starting point for more intense and essential efforts to achieve sustainable development nationally, regionally and globally. Those efforts would require everyone to work together and the adoption of practical and concrete approaches. A Global Deal between stakeholders would be an important step toward sustainable development in all three of its dimensions. It would be a slow and difficult process. All parties involved would have to be willing and determined to cooperate on the basis of mutual

respect and shared objectives. But the advantages were clear: instead of paralysed workplaces, there would be stable and growing economies; instead of labour that was repressed, worn out and silenced, workers would believe in their work and want to contribute to the success of their companies; instead of a global economy that was stagnating for want of purchasing power, there would be more equal and free individuals who would dare to invest and consume. More importantly, it would help to prevent tragedies in the workplace and allow the 3 billion workers around the world to be part of an economically, socially and environmentally sustainable economy that did not repress anyone.

Perspectives from the business and labour sectors

33. **Ms. Burrow** (International Trade Union Confederation) said that the world needed a new business model. Slow economic growth, unemployment, precarious work, inequality and low wages were realities for many working people and their families, and 75 per cent of the world's population had inadequate social protection or none at all. Economies around the world continued to be affected by stagnant demand and high sovereign and private debt, which could worsen if inflation fell further as a result of lower oil prices. In January 2015, 23 of the 28 European Union countries, the region most affected by economic stagnation, had experienced an annual decline in consumer prices. Economies that depended on exports of oil or other commodities were also vulnerable and higher interest rates in the United States could lead to further instability. The forthcoming meeting of international finance institutions should seize the opportunity created by lower oil prices to encourage the rapid adoption of carbon taxes, which would generate revenue to finance energy-efficient infrastructure and other necessary public and private initiatives to tackle climate change and create jobs.

34. Jobs, wages and social protection were central issues for people and national economies. According to the *ILO World Employment and Social Outlook — Trends 2015*, unemployment remained above the pre-crisis levels of 2007, and that hopeless and desperate situation was exacerbated by the fact that many young people and women were giving up. As a result, labour force participation levels were substantially lower. In some eurozone countries, a quarter of the workforce was unemployed as a result of austerity policies. In the developing world, social despair and social tension were increasingly visible.

35. The global wage share had fallen and inequality was rising, putting peoples' capacity to survive, as well as economic demand and growth, at risk. The global workforce was very vulnerable; of the 60 per cent of employees who had a formal job, the majority faced increasingly precarious employment arrangements. The rest were struggling to survive in the informal sector with no social protection, no minimum wage, and no contract of employment or labour rights. In addition, some 30 million workers were trapped in forced labour — a form of modern-day slavery that could not nor should not be accepted. The sustainable development goals must include full employment and decent work, accompanied by universal social protection, including social protection floors. Supporters of decent work must join forces with ILO to ensure that those goals were adopted, together with the most relevant indicators to measure progress, based on the ILO project to measure decent work. In that connection, ILO should be mandated to report on employment rights; wages; the employment of women, young people, people with disabilities and migrants; and required skills, to allow for better policy advice and targeted investment.

36. The dominant global trade model of supply chains had resulted in low wages, and unsafe and insecure work, with no guarantee of workers' rights. That must change. The issues of jobs and supply chains, and youth and women's participation were on the agendas of the Group of Seven (G7) and the Group of 20 (G20). Serious investment, backed by the international finance institutions and the United Nations, should be made in infrastructure, the care economy and climate action to stimulate the creation of millions of desperately-needed jobs. Steps must also be taken, in conjunction with the United Nations and ILO, to tackle inequality, particularly with regard to social protection, a minimum living wage, and collective bargaining. Wage rates were not simply a market issue but a non-negotiable human right. The Universal Declaration of Human Rights stated that everyone who worked had the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection, and that was echoed in the Declaration of Philadelphia and the ILO Declaration on Social Justice for a Fair

Globalization. Corporate responsibility to respect human rights was enshrined in the United Nations Guiding Principles on Business and Human Rights. Minimum living wages and collective bargaining were rights that were central to the dignity of labour. Global sustainability required a solid foundation of safe and secure jobs, with fundamental labour rights, just wages and social protection — in short, decent work. Decent work was at the heart of a genuinely dignified future.

37. **Mr. Funes de Rioja** (International Organization of Employers) said that leaders must be ready to respond to the challenges arising from global and regional changes. Those responses should be based on social dialogue, respect for fundamental rights and affordable national social protection for all. Once there was a level playing field, commercial competition would be fairer. His organization believed in globalization, but globalization should be fair, based on decent work and sustainable enterprises.

38. In order to create the 600 million jobs that would be needed over the next decade and to tackle the issues of youth and female unemployment, low wages and the informal sector, the global business community, in conjunction with ILO and the G20, was focusing on job creation and skill development initiatives. There was a clear commitment to place jobs at the heart of the recovery. But words were not enough; concrete and measurable targets were needed. While some Governments were offering incentives to create jobs, there had been no real follow-up and many countries had failed to live up to those commitments.

39. In order to create employment opportunities and decent work for newcomers to the labour market, structural reforms would need to be undertaken to increase adaptability and mobility within and across labour markets. Employment legislation should be updated, streamlined and made fit for purpose, bureaucratic red tape should be cut back, and non-wage labour costs addressed. To foster job creation, policies should be adopted that created an enabling business environment for companies to hire, and that removed barriers to starting, operating and growing a business. In order to increase female and youth participation in the labour market, barriers to hiring must be reduced. Obstacles, such as the lack of access to or high cost of child care, the social stigma attached to working mothers, and restrictive and discriminatory legislation, should also be addressed. Predictable, efficient and flexible policies, aligned with labour market needs, would minimize barriers to the mobility of workers, including the mutual recognition of competencies and qualifications. Efforts to improve occupational safety and health must be based on social dialogue; the Council could offer support and provide a forum for the exchange of best practices in that regard.

40. The second priority area in creating opportunities for young people and women was to make learning and training systems more responsive and align them to labour market needs. To that end, apprenticeship schemes should be established and cooperation between business and vocational education and training institutions enhanced. Apprenticeship schemes should be responsive to new realities, technologies and professions, while vocational and technical institutes should have the latest technology at their disposal. Unfortunately, while some countries had increased the quantity and quality of apprenticeship programmes, they were not the majority. Many Governments had perpetuated a vocational and technical education system that was not in line with labour market needs. Governments should therefore adopt national employment plans and work with multinational companies in order to benefit from their expertise and establish apprenticeship schemes. His organization, together with the Business and Industry Advising Committee to OECD, had created the Global Apprenticeships Network to encourage business to contribute directly and tangibly to the implementation of recommendations and commitments on youth employment and apprenticeships. Apprenticeship Networks had been set up in Indonesia and Turkey and were expected to be launched in Spain and many Latin American countries in the near future. Those steps were commendable, but legal frameworks and favourable conditions would need to be created to facilitate and expand apprenticeship programmes.

Panel discussion on "The 'Big Think' on Jobs and Growth"

41. **Mr. Quest** (CNN International anchor and reporter), moderator, enquired how bad the panellists considered the current global economic situation to be.

42. **Mr. Ryder** (Director-General, International Labour Organization) said that the global unemployment count was 200 million and counting, while 45 million people were joining the global workforce each year. Against that backdrop, the global economic situation was indeed distressing, as growth

was not proceeding quickly enough to make a dent in existing unemployment or to stem the tide of future unemployment.

43. **Mr. Quest** (CNN International anchor and reporter) wondered why job creation was failing to happen in spite of policymakers' constant avowals that it was their main priority.

44. **Mr. Ryder** (Director-General, International Labour Organization) said that the main reason jobs were not being created was that the global economy had been on a slower growth trajectory than it had been before the global economic crisis.

45. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that from a global point of view, the real problem was the lack of global effective demand, which was, in turn, the product of austerity and other bad policies being adopted in Europe, a deficiency in the structure of the eurozone and weak policies in the United States. Given that the recession had begun in 2007, the recovery thus far remained very disappointing.

46. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that the current situation was the result of a lack of aggregate demand. Given the high level of debt in both advanced and emerging markets, borrowing became impossible, making it necessary for the policy arena to move to the supply side. Structural reforms placed greater emphasis on fiscal policy, in terms of both expenditure and revenue.

47. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that while the task ahead was by no means an easy one, sustainable growth was at the heart of the European policy guiding the work of the new commission on job creation. Fiscal responsibility and structural reforms would continue to be pursued, albeit in a growth-friendly manner. Moreover, the Investment Plan for Europe would free up resources that could be channelled into the real economy and potentially create more decent jobs.

48. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that a number of policies could be implemented to redress the deficiency in aggregate demands. One of the mistakes being made in Europe was a focus on debt and fiscal deficits, the liability side of the balance sheet, without also taking into account the asset side, including human capital. The lack of investment in human capital following an extended period of high unemployment, especially youth unemployment, meant that the real wealth of European countries was declining, as evinced by the fact that the forecasts of Europe's growth potential were being lowered, not raised, by discussion of structural reform. The capacity to produce in the future was being destroyed.

49. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that during the crisis, it had become evident that when the debt of European Union member States became too high, confidence in public finance vanished, creating instability. Fiscal policy therefore remained a priority, one that would be pursued in a growth-friendly manner.

50. Italy was introducing effective structural reforms and changes to the labour market, including a new jobs act, out of a belief that the path to recovery lay in such initiatives. France was on a good path to recovery but was not doing enough, and the Commission was monitoring its situation very closely.

51. **Mr. Ryder** (Director-General, International Labour Organization) said that the depiction of Europe as way off track and the United States as fully on track was not entirely accurate. While the economic recovery in the United States was a welcome development, reduced unemployment rates in that country also reflected a major withdrawal from the labour market by discouraged workers. Productivity must also be assessed; in that connection, France's productivity had outpaced that of the United States and the United Kingdom in recent years. Rather than making a choice between structural reform and fiscal monetary policy, a certain amount of each would be the best course of action.

52. **Mr. Quest** (CNN International anchor and reporter) said that while monetary and fiscal policy were more readily implementable, structural reform was often promised but sometimes failed to become a reality.

53. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that the structural reform part was mainly a supply-side issue, and the limitation at present was demand, as illustrated by the situation in France, where productivity had increased but demand was lacking; unless it was

possible to keep demand growing apace with productivity, more unemployment and greater inequality would result. The real problem with structural reform in Europe was the eurozone institutional framework, not the structure in the individual member States. A banking union and Eurobonds were needed, as was a shift in the European Central Bank's focus away from inflation towards a broader agenda of financial stability, growth, employment and inflation.

54. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund), noting the decline in aggregate demand, said that the near depletion of the borrowing limit meant that demand had to come entirely from the supply side. A reduction in spending on energy subsidies, for instance, could make available over a trillion dollars for investment in the expenditure side that would lead to demand-side policies. Moreover, when the Governments of Indonesia and Malaysia had reduced their energy subsidies, it had bolstered their popularity instead of costing them public support.

55. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that while many structural reform policies involved redistribution, borrowing at a negative real interest rate was still possible for the most advanced countries; numerous potential investments would be both structural and demand-side because they would improve productivity and increase demand at the same time, thereby helping the economy in both the short and long term.

56. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that while she agreed that more investments were needed, it was important to consider where the money would come from and to take steps to remove barriers to investment. In that regard, the aim of the Investment Plan for Europe was to awaken sleeping capital and motivate investors to invest in the real economy.

57. **Mr. Quest** (CNN International anchor and reporter) said that when the Investment Plan for Europe had been announced, many had pointed out that not a lot of the money was new money and that most of it was leveraged money from other sources, under the assumption that it would be leveraged from the private sector.

58. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that the core of the fund was composed of money from certain lines in the European budgets and a significant amount from the European Investment Bank. Guarantees and some equity could be given to small enterprises to take the first loss of potential risk in order to induce investors to invest. The Investment Plan was expected to begin taking effect within a year of its November 2014 launch.

59. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that the Investment Plan for Europe, while a step in the right direction, was too small. To the extent that it was moving other money around, the question was how much of it was incremental.

60. **Mr. Ryder** (Director-General, International Labour Organization) said that ILO welcomed the plan and believed that it could be engineered to maximize its positive employment effects. However, in a world of low interest rates and high profit levels, the problem was not one of structural reform but rather of companies unable to find investment destinations for huge sums of money because of low consumer demand and a lack of confidence in growth.

61. **Mr. Quest** (CNN International anchor and reporter) wondered to what extent competitive devaluation and lower oil prices, despite their benefits, had resulted in beggar-thy-neighbour policies.

62. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that beggar-thy-neighbour policies did give rise to concerns regarding exchange rate and tax regime policies. The International Monetary Fund advised members to avoid competition and instead work together to achieve a fair tax. Global cooperation on the exchange rate was equally crucial. Nevertheless, lower oil prices as such were clearly beneficial.

63. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that any change in relative prices would have winners and losers; for instance, consumers might benefit while investments would be diminished. If one had to choose, lower oil prices would be preferable. With regard to aggregate demand, there were two ways to restore it, namely, redistribution from rich to ordinary and poor people — as was occurring as a result of lower oil prices — and fiscal policy. Given the fiscal space created by the negative real interest rates presently available to advanced countries, it would be foolish for them to

forgo borrowing to promote future growth; despite rising debt, assets would exceed liabilities.

64. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that tax competition must help European countries reach their goals; it was therefore necessary to avoid the kind of destructive competition that would trigger a downward spiral, with Governments lacking the money to redistribute and perform their mandated duties. To that end, there was an agreement in place within Europe and at the international level to promote transparency; there was also a proposal to have a common corporate tax base for European enterprises that worked across borders in the interest of promoting a fairer tax system. Some tax competition should be maintained in order to avoid the other extreme of excessively high taxes.

65. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that despite the current low interest rates, not all countries had fiscal space to borrow.

66. **Mr. Quest** (CNN International anchor and reporter) asked whether the few countries, such as the United States and Germany, which did have fiscal space were the ones that should be borrowing, instead of highly indebted countries.

67. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that if the world could work together on carbon emissions, over $1 trillion in funds could be tapped without first going to the market to borrow.

68. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) agreed that a carbon tax, in addition to improving the environment and promoting more sustainable growth, could raise an enormous amount of money, which could, in turn, be used to make investments in human capital and other areas, resulting in stronger growth. The basic principle of a balanced budget multiplier held that if taxation was applied and a certain amount of money spent, it would stimulate the economy.

69. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that she agreed with such measures insofar as they could also help shift taxes away from labour and impose them on other sources.

70. **Mr. Quest** (CNN International anchor and reporter) pointed out that the lobby against carbon taxes was far more vociferous and had much more wealth supporting it.

71. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that in countries where there was a broader social consensus and where special interests prevailed less than they did in countries where money had more power, a carbon tax and cross-border taxes could act as an equalizer and provide an incentive for other countries to follow suit.

72. **Mr. Ryder** (Director-General, International Labour Organization) said that carbon taxes and carbon pricing were imminent. Financial transactions could also be added to the list of potential revenue raisers. However, the tendency in recent years had gone in the opposite direction. There was massive scope for Governments to raise taxes more effectively and equitably and to put the money to productive use; the current problems owed partly to the failure to do so in recent years.

73. **Mr. Quest** (CNN International anchor and reporter) said that, given the panellists' backgrounds, their common belief that the answer lay in some form of higher taxation was unsurprising.

74. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that it was not higher taxation but progressive taxation which made sense and was necessary. In that connection, he stressed the need to enhance the efficiency of tax revenue.

75. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that in the United States, which had regressive taxation, a large amount of money could be raised even just by switching to uniform taxation.

76. **Mr. Do** Hung Viet (Viet Nam) wondered what systemic global trade measures might be introduced to cope with the impact of subsidies and trade measures adopted by developed countries on job creation in developing countries.

77. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that the broad agenda known as the development round, which had ultimately stalled, had contained a number of proposals, such as eliminating escalating tariffs. The tariff structure of many of the advanced countries had

been designed to ensure that developing countries kept producing primary commodities rather than moving up the value chain. Changing that should have been one of the major objectives of the development round, but it didn't happen. With 70 per cent of subsidies in the developed countries going directly or indirectly to agriculture, the competitive, "beggar-thy-neighbour" policy hurt developing countries and enriched a very few people in advanced countries.

78. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) agreed that trade was a serious issue. Contrary to the trend seen in previous decades, trade growth since 2007 had been weaker than gross domestic product (GDP) growth. Moreover, the foreign direct investment share of global GDP was 40 per cent below its 2007 level. The figures indicated that globalization was significantly changing its form and patterns.

79. **Ms. Kage** (Germany) asked what advice the panellists had for least developed countries and other developing countries.

80. **Mr. Quest** (CNN International anchor and reporter) said that the developing world faced the problem of subsidies put in place by advanced countries in addition to restrictions imposed by those countries on industrialization.

81. **Mr. Ryder** (Director-General, International Labour Organization) said that the aim of the post-2015 development agenda was not to call for an end to development but to place it on a more sustainable and fairer basis. It would have to be compatible with the legitimate development aims of countries that had not gone through their industrialization period. The developing world did not see the trade system working for it, nor did the development round appear to be fostering development. Furthermore, the African continent's extraordinarily good aggregate growth over the previous decade was not turning into broad-based development or generating decent jobs. A way must be found to diversify that growth base and promote job creation.

82. **Mr. Quest** (CNN International anchor and reporter) pointed out that, moving forward, balancing the needs of developing and developed countries would be a core issue in job creation.

83. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that the work being done in the Economic and Social Council was aimed at striking that very balance, eschewing donor-driven development goals in favour of common goals and collective efforts to monitor and implement efforts to create decent work and development for all.

84. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that there were two obstacles in discussing trade policy. First, countries needed space to have their own policies, including industrial policies. While such policies used to be viewed very negatively, with trade agreements circumscribing the ability of developing countries to implement them, even the World Bank had come to agree that industrial policies could play an important role in development. Second, new trade agreements between developed countries and developed and developing countries contained provisions, according to leaks, that appeared to circumscribe the ability to enact environmental, health and safety regulations that would make development sustainable. In that regard, attention should be paid to developing a new trade agenda instead of fixing the development round.

85. **Mr. Ryder** (Director-General, International Labour Organization) said that the fact that a majority of the 45 million new jobs needed for people entering the workforce each year were in sub-Saharan Africa and South Asia underscored the importance of the issue.

86. **Mr. Patel** (South Africa) enquired whether the demand constraint was structural or cyclical. Moreover, in South Africa's experience, rising income inequality was both a regrettable outcome of economic growth and a constraint on economic growth because it depressed aggregate demand. Apart from redistributive fiscal policies, he would like to know what other tools existed to address income inequality. Lastly, he challenged the view that all new demand must come from supply-side reforms. Fiscal space constraints aside, what should be the role of private players and collective bargaining in dealing with issues of aggregate demand?

87. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that the issue of aggregate demand was both cyclical and structural; after seven years of quantitative easings, money was moving into the financial sector instead of the productive sector. Currently, the labour market

responded to quantitative easings to increase labour productivity. As it was a clearly structural issue, supply-side policy was the frontier for policymakers at present.

88. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) agreed that the issue was structural. Strengthened unionization, antitrust laws, corporate governance laws and education systems could all be used to deal with inequality, which had been on the rise since at least 1980. Moreover, the entire economic and legal structure needed to be rethought to encourage greater equality and close the widening gap.

89. **Mr. Quest** (CNN International anchor and reporter) pointed out that structural reform was something that all parties endorsed in principle but never managed to accomplish.

90. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that structural reform, by its very nature, would take time to implement and have consequences. European efforts to introduce such reforms were under way, targeting inequality in particular. In the case of Greece, pre-existing problems had required very deep structural reforms. It had been necessary to strike a judicious balance between solidarity and responsibility.

91. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that structural reform had been slow to take hold because of differing views on which structural reforms were the right ones. Some of the reforms that had been promoted were actually increasing inequality.

92. **Mr. Ryder** (Director-General, International Labour Organization) said that structural reform had been construed as flexibilization of labour markets, which had actually increased inequality. Nevertheless, growing inequality was structurally based and could be addressed through such reforms as strengthening collective bargaining, raising minimum wages, establishing social protection floors and reversing the declining share of labour income.

93. **Mr. Quest** (CNN International anchor and reporter) noted that structural reforms being implemented by France, Spain and Greece was the opposite of what was desired.

94. **Mr. Ryder** (Director-General, International Labour Organization) said that while it might be necessary to coin a new phrase, there remained a need to address inequality through its structural roots.

95. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that the reforms being carried out under the Europe 2020 agenda were achieving results in some European Union member States.

96. **Mr. Quest** (CNN International anchor and reporter) enquired whether the results were in the areas of workers' rights and benefits.

97. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that results were being observed in both those areas but inequality was not solely a matter of specific workers' rights. A labour market ensuring protection for employees must be complemented by a social policy that afforded the unemployed greater access to opportunities.

98. **Mr. Minami** (Japan) asked how the panellists regarded Japan's situation, which was characterized by insufficiently strong economic growth, a 3.5 per cent unemployment rate and a decreasing ratio of permanent and regular jobs.

99. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that many views about Japan had been excessively negative. Taking into account the steady decline of the labour force at about .25 per cent a year, the country's growth in terms of productivity put it towards the top of the advanced countries. The GDP figure did not reflect the overall situation. In terms of living standards, other aspects of the society, including low unemployment, were a mark of success. After taking initial steps in the right direction on fiscal policy, the Japanese Government had raised taxes prematurely, when it should have imposed a carbon tax instead; doing so would have stimulated investments in carbon mitigation, which, in turn, would have increased demand.

100. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that lower labour supply was to blame. In order to boost growth, all educated women should be brought into the Japanese labour force.

101. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that bringing more women into the labour force would be the most

important structural reform for Japan, where women, despite being highly educated, were underrepresented in comparison to the labour forces of other countries.

102. **Mr. Jennings** (UNI Global Union) said that the singularly irresponsible generation of business leaders who had led the world into crises, overpaid themselves and evaded taxation should be held accountable.

103. **Mr. Ryder** (Director-General, International Labour Organization) said that business existed to make profits, and rightly so; what was needed was for business to begin investing in the real economy again. The financial sector, more than businesses, must answer for the crisis. A new understanding of executive remuneration would have to be reached. Social dialogue would provide a way out of the current impasse. The European Commission was making huge efforts to that end and the Prime Minister of Sweden had spoken about a new global deal involving engagement between labour and business to produce better outcomes.

104. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that in addition to focusing on the relationship between labour and business, Governments should also be involved; the trillions of dollars not being invested must be tapped.

105. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that no one would invest if there was no demand. Major multinational companies had trillions of dollars in their coffers while small and medium-sized enterprises were unable to obtain capital, given the decline in lending to ordinary business and the financialization of the global economy. Moreover, the regulatory framework in Europe had led to divergence instead of convergence, with money leaving countries in crisis and entering strong countries; the weakness of the banks was reflected by a marked decline in lending to small and medium-sized enterprises, which had, in turn, hurt job creation.

106. **Mr. Zhu** Min (Deputy Managing Director International Monetary Fund) said that low aggregate demand called for a supply-side approach. In that regard, the Investment Plan for Europe, with public money leveraged on private-sector money, was a good model.

107. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that structural reform, by its very nature, would take some time. Instead of assigning blame for the mistakes of the past, it would be best to consider how to do better in future and pursue constructive social dialogue. To that end, policies would have to be developed whose acceptance and acceptability were ensured by the input and support of social partners.

108. **Mr. Wallin** (Finland) wondered whether the discussion was taking into account the changes to the economic situation brought about by rapid technological advances; the advent of digital societies was resulting in a decline in investments in infrastructure, housing and retail shopping establishments.

109. **Mr. Quest** (CNN International anchor and reporter) enquired whether investment in the digital economy was a downside for overall investment.

110. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that new technology would transform the entire world. In response to that transformation, Governments should invest more money in education and in research and development. The convergence of new technology and manufacturing growth would create more value, a positive development.

111. **Mr. Charles** (Trinidad and Tobago) said that the discussion had failed to address financing for development and the punitive policies of the Bretton Woods institutions and the banking sector, institutions which were sometimes accused of financing for underdevelopment. In that regard, he wished to know the panellists' views on restructuring ahead of the forthcoming third International Conference on Financing for Development in Ethiopia.

112. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that the international community and the donor community were working hard to mobilize more resources for development, with a view to ensuring a good outcome of the July Conference and paving the way for the sustainable development goals over the next 15 to 20 years. To that end, States must also play a key role as the major shareholders in development. Governments could address many revenue-side issues for their own countries, including energy reform, quality of expenditures and improving efficiency. A successful outcome would ultimately hinge on cooperation among all stakeholders.

113. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that the financial sector had been unable to channel savings into investment where they were needed. Nevertheless, such institutions as the New Development Bank and the Asian Infrastructure Investment Bank were taking important steps to recycle global savings and ensure that they reached developing countries. Efforts were also being made by the United Nations to repair the sovereign debt market, which had, regrettably, been broken by opposition from the United States Government, a strategic and policy mistake on its part. He hoped that United Nations efforts would succeed, as the flow of funds generated by the sovereign debt market would help create jobs.

114. **Ms. Davis** (Gray Panthers) enquired what the United Nations could do when Governments overstepped the bounds of legislation and ignored the will of the people, as in the case of the secret trade agreements being negotiated in the United States and Europe.

115. **Mr. Quest** (CNN International anchor and reporter) asked Mr. Ryder whether he was in favour of the Trans-Pacific Partnership and other trade agreements like it and what his biggest concern about them was.

116. **Mr. Ryder** (Director-General, International Labour Organization) said that the value of trade agreements depended on what was in them. The controversies surrounding the Trans-Pacific Partnership and its counterparts in other regions were well known. As trade deals were increasingly being concluded regionally and bilaterally, social chapters and attention to International Labour Organization core labour standards were being introduced. Reasonable solutions on those elements gave substance and meaning to the notion of fair trade.

117. **Ms. Nilsson Snellman** (Sweden) wondered what measures Governments should take in order to achieve full and equal participation by women in the global labour force in the face of sluggish labour markets.

118. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that Governments should promote fiscal incentives, provide child care services, leave and flexible working hours, and ensure that girls were educated in order to bring women into the labour force.

119. **Mr. Quest** (CNN International anchor and reporter) enquired whether it would be necessary to overcome a cultural bias before implementing such measures.

120. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that the cultural barrier, while much lower than it had once been, still existed. If Governments put policies into place, more people would realize the importance of bringing women into the labour market.

121. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that good education was crucial, as were social policies and services that would enable both men and women to achieve a work-life balance.

122. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that such a policy framework would increase aggregate demand. Added expenditure would have a direct impact on effective demand and bring more people into the labour force. However, a larger labour force without overall aggregate demand would merely increase the unemployment rate. For that reason, structural reforms without the requisite aggregate demand reforms would not work.

123. **Mr. Ryder** (Director-General, International Labour Organization), noting that, at present, women employees earned 77 dollars to every 100 earned by their male counterparts, stressed the need to address the issue of equality.

124. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) pointed out that strong affirmative action and anti-discrimination laws would be necessary.

125. **Mr. Quest** (CNN International anchor and reporter) wondered what was preventing greater female participation in the workforce, given the broad agreement about its importance.

126. **Mr. Ryder** (Director-General, International Labour Organization) said that structural barriers in education, cultural attitudes and availability of child-rearing facilities were some of the obstacles to greater female participation in the workforce. Moreover, global efforts to close the gap between male and female participation rates — the G20 target was 25 per cent by 2025 — would have to contend with the original issue of job creation per se.

127. **Ms. Kvalsøren** (Norway) asked the panel to name two key deliverables from the forthcoming Financing for Development Conference in Ethiopia that would have the biggest impact on the agenda of inclusive growth and decent work.

128. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that there must be enough money available and an agreement not just on general principles but on a system of indicators and a monitoring system to ensure delivery.

129. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that expenditure strategy and priority would have to be redefined as well.

130. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that the single most important result would be convincing advanced countries to contribute the 0.7 per cent in official development assistance (ODA) that they had pledged a number of years ago. It would also be crucial to have other institutions, such as the New Development Bank, that would facilitate the redeployment of savings towards developing countries and broader expansion of the World Bank and the other multilateral banks so they could better fulfil their roles.

131. **Mr. Ryder** (Director-General, International Labour Organization) said that a serious commitment would be required from developing and developed countries alike to start financing through the real economy the sustainable processes of development.

132. **Ms. Perceval** (Argentina) said that developing countries, in attempting to achieve greater participation in global governance, had met with strong opposition from developed countries. How could the developing world contribute to reform of the international financial system if its voice was diminished or absent altogether?

133. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that further reform of international governance was crucial. For its part, IMF had approved quota reform in 2010 to reflect the changing global economic structure. Unfortunately, the United States Congress had yet to approve the reform, to the disappointment of many. Efforts were being made to resolve the issue by other means, thus ensuring that the voice of low-income countries and emerging markets was heard in the international arena.

134. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) said that the failure of the United States Congress to keep up with already dated developments had led to the establishment of such institutions as the New Development Bank.

135. **Ms. Burrow** (International Trade Union Confederation) said that, in response to the question from the representative of Norway, a social protection floor was the most important deliverable result from the forthcoming conference on financing for development. In India, a modest social protection floor and basic income had jumpstarted the global economy. She hoped that the continuance of European structural reform did not consist of more cuts to minimum wages and collective bargaining.

136. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) acknowledged that it was very important to preserve collective bargaining while pursuing structural reform. The Fund was working with the International Labour Organization on a social protection floor and had integrated the issue of protecting the poor into its policy framework.

137. **Ms. Thyssen** (European Commissioner for Employment, Social Affairs, Skills and Mobility) said that she was in favour of a social protection floor internationally and within Europe. However, her Commission did not have competence to enforce minimum wages and other related measures. What it could do was promote them in country-specific recommendations and help develop the concept of minimum income as a requirement for a decent life within the International Labour Organization reference standards. To date, 22 of 28 European Union member States enforced a minimum wage.

138. Looking ahead, she expected the Investment Plan for Europe to generate 1 million extra jobs in Europe within three years, a conservative projection that had been confirmed by the International Labour Organization.

139. **Mr. Zhu** Min (Deputy Managing Director, International Monetary Fund) said that job growth was very important and that all stakeholders had to do their part. At the Fund, studies were done on policy to promote job growth, which was also included in its article IV consultations.

140. **Mr. Ryder** (Director-General, International Labour Organization) said that he looked forward to reporting back to the Council in a year on the concrete actions taken and enabled by the forthcoming conferences on financing for development, the post-2015 development agenda and climate change.

141. **Mr. Stiglitz** (Nobel Laureate and Professor of Economics, Columbia University) stressed that a good climate and environmental policy could stimulate the economy, as the proceeds of carbon and environmental taxes, if used in the right way, could have a major impact. The serious problem of inequality was part of a real deficiency in aggregate demand. Moreover, social protection should be regarded as a middle-class agenda, not just a poor agenda. Lastly, he expressed concern that the kinds of structural reform being advocated in Europe would lead to more inequality and poorer economic performance. While all were in agreement that structural reform of some kind was necessary, it was vital to ensure that the reforms pursued led to more growth and equality.

The meeting rose at 1.05 p.m.